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UNCLAS HARARE 002361

SIPDIS

SENSITIVE

STATE FOR AF/S  
NSC FOR SENIOR AFRICA DIRECTOR JFRAZER  
USDOC FOR 2037 DIEMOND  
PASS USTR ROSA WHITAKER  
TREASURY FOR ED BARBER AND CWILKENSON  
USAID FOR MAJORIE COPSON

E.O. 12958: N/A

TAGS: [EFIN](#) [ECON](#) [ETRD](#) [ZI](#)

SUBJECT: Business Community Tries to Engage Mugabe

Sensitive but unclassified. Not for Internet posting.

[11.](#) (U) Summary: The heads of 8 large corporations in Zimbabwe are banking that their new association can engage the Government of Robert Mugabe in a non-threatening manner and help the country stave off deeper recession. End Summary.

Will Mugabe listen?

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[12.](#) (SBU) In funding Business Initiative Zimbabwe (BIZ), the company chiefs have declared that "we in the business community cannot stand by while 90 percent of the population sinks below the poverty datum line." This is the business community's most organized effort to build a dialogue with the Mugabe government. Founders hope to win the President's trust by underwriting numerous projects that he approves of, such as a young farmers program. (Member corporations agree to pledge .35 percent of revenue to assist small entrepreneurs.) Ultimately, they seek to leverage any goodwill into restored influence with the GoZ.

Comment

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[13.](#) (SBU) Given the GoZ's distrust of the private sector and entrenched statist mindset, this is a tough sell. After a recent two-day Confederation of Zimbabwe Industries symposium where business leaders gently challenged government ministers, the GoZ had the CZI head dismissed. Furthermore, it does not help that some BIZ members represent British multinationals. However, the CEOs of Standard Chartered and Anglo American, both prominent black Zimbabweans, have told us they see little to gain through confrontation. BIZ founders, a collection of Zimbabwe's most prominent movers-and-shakers, have tried unsuccessfully for months to secure a meeting with Mugabe. Meanwhile, they hope to recruit Finance Minister Herbert Murerwa as an honorary board member. BIZ already includes several Zimbabwe-owned companies, such as PG, and members want to add a couple dozen more. Standard Chartered CEO Washington Masaira, the first BIZ chairman, told us the organization will strive to be assertive but unthreatening - a very fine line coming from reps of Western corporate interests in today's Zimbabwe. Masaira is not confident he will succeed, but believes this may be the business community's last chance to help salvage what's left of Zimbabwe's economy.

Sullivan